

the France and Canada Company on pier 74, Hudson River, to obtain the lease of which \$25,000 was paid. Loughhead, who was \$251,806 in 1919 and \$130,000 in 1920, Francis C. Rippon read the figures from the company's ledger.

"Most of the pier space was leased to foreign companies while American ships lay idle in the port," Mr. Loughhead stated. He has been in the shipping business for thirty-five years and in addition to his twenty odd ships operated United States Shipping Board vessels. Seven of them he could not get piers. The company had a lease on pier 55, Brooklyn, which was cancelled by Commissioner Hubert on a charge of profiteering.

Left without any pier accommodations the witness said he began trying to get another pier. He was forced to send his ships to other ports. Then began the fight for either pier 3 or 35. When he made application, he said, the Commissioner told him the Cunniff and Kerr companies both had applications pending.

#### Forced to Appeal to Hyman.

"I said that was not fair; that these companies had eight or ten berths in New York," Mr. Loughhead said. "I could get very little satisfaction. Then I found out that the thirty-third street pier had been leased to the Kerr company. The reason given by officials in the department, who said they had instructions from Hubert, was that the Kerr company would look after electrical machinery on the pier. I said that was queer, inasmuch as we had our own machinery in shape and it was covered for the year. The Kerr company had one side, and then I learned that a Norwegian line had the other side. The Norwegian company had one steamer, which was away for twenty-six days, and we had steamers of our own and the Shipping Board's lying in the port."

Mr. Loughhead went to the Mayor with his trouble and Mr. Hyman telephoned to Mr. Hubert and finally the company got a permit for pier 33. The witness said he gave out an interview, saying "there was a nigger in the woodpile" in relation to the leases, and Hubert threatened to sue for libel, but he never did. The company finally got the pier for \$200,000, which, he said, was "about eight times what the Germans paid for it. That lease held until pier 33 was returned to the company and the latter lease ran out last May."

"Do you know Loughhead?" Elton R. Brown, counsel, asked.

"Yes, he came to see me a number of times."

"To see if he could aid you in getting back your pier?"

"Yes, that was before I got it back."

"What did he tell you he could do?"

"That he thought he could get that pier returned to me for \$50,000."

"Did he make any statement to you as to who wanted the \$50,000?"

"No."

"For himself, for influence, or anything of that sort?"

"I was not interested in any proposition of that sort; I would not entertain it for a minute and did not go into any details."

"And did he not give you any names?"

"No, sir."

#### Boasted of Getting Lease.

"Did he say he had succeeded in getting a lease for anybody else?"

"Yes, he said he had gotten the lease for the France and Canada Company."

"What did you tell him?"

"I told him that that did not interest me at all."

Mr. Clegg said he was vice president of the Kerr Steamship Company, 44 Beaver street. He told of getting leases.

"In getting the permit for pier 33 did you pay anything to anybody excepting the \$50,000 to the city?" Mr. Brown asked.

"From January 1, 1918, until the end of 1919 I was only in the office about two months at a time. Therefore, any reply I make can only be from the record. The record shows that there were payments aggregating \$34,900 to some other than the Dock Department."

"On account of that permit?"

"The record shows that it would be on account of that permit, exactly."

"Who that somebody else is you don't know?"

"I do not know, sir."

"Do you know from your connection with the company who had charge of the acquiring of this permit and who therefore would know about the payments?"

"Mr. Kerr would know."

"Where is he?"

"At present in Europe. He is either in England or Norway."

"You have vouchers for these payments, haven't you?"

"Yes, sir."

The treasurer of the company at the time was a Mr. Stewart, no longer connected with the Kerr corporation. Mr. Brown produced the numerous vouchers, in sum ranging from \$1,000 to \$5,000, all marked "suspense account, cash handed to R. C. Scholz," who, it was explained, was manager of the Kerr company. The total of these was \$21,560.

Senator Downing protested that there was nothing to show that the money went for any illicit purpose. The fact of the charges being made in the account did not prove anything, he said.

"I am going to supplement this evidence as quickly as I can," Mr. Brown said. "There is nothing here to show who got it. The money was paid in addition to rental. I am not going to draw any inference that any certain official got it. You haven't any reason to doubt that those moneys were paid on account of the use of this pier?"

"From the record I say that I have no doubt," the witness said.

"You have not dismissed any one from your company on account of those payments, have you?"

"I only became aware of them yesterday."

Mr. Clegg said he was an American and his company an American concern.

**Oriental's Pier Cost \$13,500.**

The Oriental Navigation Company got pier 36, Hudson River, in August, 1919. Mr. Gill, treasurer of the company, said. He was questioned by Mr. Brown as follows:

"And did you make any payments other than the rent to the city for and on account of those permits?"

"Yes."

"I show you a couple of checks, one for \$12,500, dated August 14, 1919, payable to bearer; do you remember how that was, did you get that cashed?"

"Yes, the cash was gotten from the bank."

"And given to whom?"

"To P. J. McLaughlin."

"Who was he?"

"I did not know anything about him, other than that he was a broker at the time."

"And how did you come in contact with him?"

"Personally only in connection with these payments."

"The arrangement was made by some other officer of your company?"

"Yes, Philip Derondi, president."

"He is not in the country now?"

"No, he is in France."

"And this was cashed at the bank and the amount, \$12,500, paid to McLaughlin?"

"Yes, sir."

"Now, the second check, dated December 15, 1919, for \$1,000, was payable to P. J. McLaughlin, and given to him?"

"Yes, sir."

"And cashed by him, and McLaughlin gave you those two receipts, for the \$12,500 and for the \$1,000?"

"Yes, sir."

"They read, '\$12,000 in settlement for services rendered in the matter of acquiring pier 36, North River, New York, under rental arrangement with the city of New York' and the \$1,000 reads in the same way. I offer those in evidence."

Mr. Derondi is the only man who knows about the transaction with McLaughlin, in your company?"

"Has McLaughlin an office here?"

"Not to my knowledge."

"I want to say in reference to McLaughlin that endeavors have been made to locate and subpoena him; it is a long story, the hunt for him is, and where and how the subpoena servers have hunted, but he is not obtainable," Mr. Brown said.

How the pier situation is injuring this port was shown by the testimony of Mr. Cauchols of the French Line. That company has pier 57 and a lease on pier 13, Staten Island, and temporary accommodations at pier 84. He said:

"I have not been able to get the pier I need two more right now."

"We need a passenger pier in New York. I have been on record for two years trying to get it. I have been advised there was no pier available."

**Ships Diverted to Other Ports.**

"Have you notified the Dock Department that you had to divert your steamers to other ports because of this lack of accommodations?"

"I have, since 1918. Also, we have to hold steamers down the bay and let them take the place of others going out. We will have to suppress that."

"Part of your ships are freight?" Mr. Brown asked.

"Most of them were, but outside of our particular passenger lines I have turned them elsewhere. I cannot get the accommodation here, and they have been moved to Philadelphia and Boston."

"Many of your freight ships have gone to Philadelphia and Boston?"

"Yes, sir, since the war."

"Where you can get accommodations?"

"Yes. I have asked for two piers of the city of New York, have asked for them for two years, and if I could get them I would put the freight business here. Now we only run our passenger lines here, and we send our freight ships down to Philadelphia, where they load and discharge."

"You told me you would like one or two more piers; which was it?"

"I would like one pier right away for passenger business on Manhattan Island."

"Would that enable you to bring your freight ships back to New York?"

"No, that is to replace pier 84."

"That would not enable you to bring back the ships you have taken to Philadelphia and Boston?"

"No. I am running ten or twelve passenger steamers a month, operating between two piers, and after the first of the month I expect to have to operate them from one pier, which I will not do. I don't know what I will do for passenger ships."

"Where the terminals are completed at Staten Island, would that provide an opportunity?"

"For my freight ships, but not passenger ships."

"It is part of the plan of the Commissioner of Docks now in process of completion?"

"Yes. It would relieve the congestion greatly if we could get down to Staten Island."

**Easy to Get Piers at Boston.**

"How many piers have you in Boston?"

"I haven't any in Boston, but I get them from the railroads as the ships turn up there."

"No difficulty about it?"

"So far, there has been no difficulty. In fact, we are invited to send more ships there, not so much to Boston as to Philadelphia."

Frank J. Hoey narrated his adventures in pier hunting and subleasing since 1916, when he decided to quit clerking and go into business for himself. He offered \$5,000 for a lease on a pier at the foot of North Second street, Brooklyn, and got it. He sublet it for eighteen months. He went over a list of half a dozen piers which he had rented. Mr. Brown went over a list of the piers showing that the rentals to other companies was as much as \$200 a day.

Frederick G. Kimlin, investigator for the committee, gave testimony regarding the operations of the Hoey company showing big profits from subleasing the city's piers. He said:

"For twelve ships in January and February, 1920, the company paid the city \$1,951.05 and got revenue from the shipping company of \$7,545, but those are only the \$50, \$60 and \$75 class, whereas, for the \$150 and \$175 ships I had no records to check that up. I don't know what the Dock Department

charged them, but on this steamship Juliana I had his own figures showing that Hoey paid, for twelve days to the city at \$10.41 a day, a total of \$124.92. He received \$75 a day for dockage and \$200 a day when docked, so he got \$390 a day for these ten days which would be \$3,900.

"The statement of this concern's bank account that was analyzed from the deposits turned in from the different banks was as follows: Sabbatino & Co. deposited with Mechanics and Metals National Bank, Produce Exchange Branch: 1918, \$211,404.41; 1919, \$279,943.71; 1920, \$122,342.97; 1921, \$45,801.74. This makes a total for Sabbatino & Co. only of \$659,493.33.

"Frank J. Hoey's account for 1920 with the same bank was \$72,043; in 1921, \$7,879.23, making a total of \$79,922.33. Sabbatino's account with the same bank was \$31,216.75.

**Has a Million in Two Banks.**

"The Frank J. Hoey deposit with Mechanics Bank of Brooklyn: in 1918, \$67,637.27; 1919, \$175,481.17; 1920, \$67,637.27; 1921, only \$4,277.69. The total of these two deposits in both banks totaled \$1,086,018.59, which does not cover special accounts. I had two special accounts which are supposed to be his stevedoring business and clerking, which is \$546,000 for stevedoring in round figures and \$47,000 for Hoey. I have not included those figures in the \$1,086,000 which I have given."

James M. McGovern, manager of piers for the United States Shipping Board gave a long list of the Hoey and Sabbatino pier leases. Here are a few picked from a score, all much the same:

"Harris, McGill & Co., S. S. Western Light, December 17 to 21, 1920, four days at \$60 a day, \$240; daily charge by the city, \$20.52.

"James W. Elwell & Co. the United Wharfage and Storage Company, S. S. Waukau, September 22 to October 1, 1920, nine days at \$75 per day, \$675; daily charge by the city, \$21.88.

"Sudden & Christensen, to Continental Transportation Company, S. S. West Headlight, February 23, 1921, to March 8, 1921, nine days at \$50 per day, \$450; daily charge by the city, \$20.32.

"S. S. Remus, August 16 to 24, 1920, nine days at \$60 per day, \$540; daily charge by the city, \$17.48. Pier 84, Hudson River, Cocomopolitan Steamship Company, S. S. Bellingham, wharfage charges, March 1 to 8, 1921, eight days at \$60 per day, \$480; daily charge by the city, \$21.10."

**Split Contracts Evade Law.**

Leonard Wallstein, associate counsel, read into the record a summary made by the committee of the total of contracts given without public letting as provided by section 49 of the charter. This provides that all contracts of \$1,000 or more must be put up for bidding, but for smaller amounts contracts may be let without competitive bidding. One of the "flagrant abuses" charged against the administration is that it has been a practice to split up little contracts into items of \$900 or \$999 each and given them to favorite bidders without letting, thereby getting around the law.

The exemptions in 1919 amounted to \$138,935; in 1920 to \$2,029,884; in 1921, \$2,767,884, and to July 1, this year, to \$38,846. It was explained that in 1920 \$10,000,000 was expended for construction of Staten Island piers, and that although fully understood was legally in the same class with the other exemptions.

Senator Alva W. Burlingame of Brooklyn appeared voluntarily before the committee to make a statement in answer to charges made on the stand last week by Inspector Dwyer of the Police Department. The inspector asked the committee why it did not call the Senator to explain what he knew about a special police bill in which he said money was used. The Senator said he knew nothing of any fund in connection with the measure and never received remuneration in relation to that or any other measure.

The hearing will continue to-day in City Hall.

**FOR A FREE RADIUM CLINIC.**

Two Pittsburgh Women Enrich Hospital by Gift.

Special Despatch to This New York Herald.

Pittsburgh, Oct. 13.—A free radium clinic at the Homoeopathic Hospital has been made possible by a gift of 400 milligrams of radium, valued at \$50,000, by two Pittsburgh women.

The hospital already possesses eighty-five milligrams.

## SCHOOLS TAKE TIME OF BUDGET MAKERS

Dr. Berg Tells Them \$1,600,000 Can Be Saved by Cutting Off Surplus Teachers.

NO DECISION IS REACHED

More Public Hearings on Oct. 25 and 26 Before Windup Date, Oct. 30.

The Board of Estimate finished yesterday its public hearings upon the tentative budget for 1922 at a meeting in which public interest, numerically speaking, was slight. The document was referred to the finance and budget committee which will meet daily for pruning or increasing its items. It will be sent back to the board from the committee as the proposed budget, changes in which can be reductions only, and public hearings will be held upon the proposed budget on October 25 and 26, before final adoption on October 31.

Chief interest yesterday was in the requests for the Department of Education. Dr. Henry M. Berg, who said he represented 7,000 taxpayers, appeared suggesting a plan to increase the size of classes as a means of economizing in seats. He said also that appointment of teachers on a basis of attendance instead of registration would reveal that there are too many teachers and result in a saving of \$1,600,000. He promised to submit other suggestions which he believed would save about \$500,000 more.

Mrs. Marian Booth Kelley of the plan and programme committee urged that

**A RIPE OLD AGE**

Thomas Parr, of England, lived to the age of one hundred and fifty-two years.

He married when a hundred and twenty, and worked until a hundred and thirty.

A post-mortem examination showed no cause of death except a change of living.

He had been accustomed to wholesome and nutritious foods, such as are served at CHILDS.

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**Childs**

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the full appropriation be retained for alterations and upkeep, and Miss Frances Perkins, secretary of the council on immigrant education, asked for money for night elementary classes, particularly for teaching English to foreigners.

Fire Department captains asked a re-adjustment of officers whereby thirty-five captains would be elevated to battalion chiefs and as many lieutenants to captains, reducing the number of lieutenants by twelve to compensate for the salary increases. Mayor Hyman said he had heard there was considerable opposition to the suggestion and asked the

representative to confer with Chief Kenyon and appear later before the finance and budget committee.

**WOULD DISBAR LEVENSON.**

Boston, Oct. 13.—Disbarment proceedings against Harry E. Levenson, an attorney mentioned in charges in connection with the recent removal from office of Nathan A. Tutts as District Attorney of Middlesex county were filed with the Supreme Court to-day by Attorney-General J. Weston Allen. Professional misconduct was alleged in the specifications.



It is believed that the first London Bridge was built in 60 A.D. This, the present structure, spanning the river Thames, was begun in 1176 and opened by William I. The monument commemorating the Great London Fire is seen in the background.

**At times, words of description applied to James McCreery & Co.'s English Type Clothes seem superfluous. In fact, there's little in the way of supplementary conversation needed to reveal their superiority. Likeable, loungy lines, man-made materials and clean-cut, conservative styling are details that must be seen to be appreciated.**

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**The McCreery**  
FIFTH AVENUE MEN'S SHOP  
**\$35 up**

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**QUASCUTUM Topcoats**  
**\$35 to \$65**  
The greatest values in topcoat history due to an extraordinary international transaction in which the lever of quantity was used to solve the problem of price.  
**For Men and Young Men**

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Fifth Avenue  
4 to 16 West 38th Street  
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**A VERY EXCEPTIONAL OFFERING OF**  
**Men's Fall Suits**  
—in the very newest Fall colorings—  
**At 43.00**  
Single and Double-Breasted Models in 2, 3, and 4-button effects, in cashmeres, chevrons and tweeds  
FIFTH FLOOR  
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Sizes 11 to 2—B to E  
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